



The WALT DISNEY Company Australia

Australia Modern Slavery Act Transparency Statement 2021

1. Reporting Entity

This statement is made pursuant to the requirements of Modern Slavery Act 2018 (Cth) on behalf of The Walt Disney Company Australia Pty Limited (ACN 054 610 025) (“**TWDCA**”) and its subsidiaries.

The Walt Disney group of companies (“**Disney**”) which TWDCA is a part of, does not tolerate any form of slavery, human trafficking, forced labour or other similar work environments or practices and is committed to maintaining and improving the processes it has in place to help ensure that these abuses do not occur in the operations of Disney’s businesses around the world (including those operations of TWDCA) or in those operations of its suppliers. The following statement reflects the activities and efforts undertaken by TWDCA in support of the financial year ending 30 September 2021.

2. Our Structure, Operations and Supply Chains

TWDCA is an Australian proprietary company with offices located in Melbourne, Victoria and Sydney, New South Wales, and employs over 300 people across both offices. TWDCA is a member of The Walt Disney group of companies which operates businesses around the world, and TWDCA operates its own business in accordance with the practices and policies of Disney. The ultimate parent company of TWDCA is The Walt Disney Company, incorporated in the United States.

TWDCA’s operations are conducted within Australia and New Zealand and include, among other things, the marketing and distribution of the Disney+ streaming service; production, promotion and distribution of films, television programmes and digital content which are exhibited and broadcast in cinemas and on television stations (free to air and Pay-TV); the operation of subscription television channels; the promotion and licensing of Disney, Marvel, Lucasfilm, 20th Century Studios, National Geographic intellectual property and other properties to third parties for the production of merchandise and publications; the sourcing and sale of merchandise; the promotion of theme parks, cruises and experiences, the operation of e-commerce websites and the production and promotion of live stage shows.

TWDCA’s supply chains include:

- Licensees and vendors that contract with facilities to manufacture Disney-branded products including merchandise (such as apparel and toys), publications and home entertainment products
- Suppliers of media and entertainment content including film production companies and content creators for digital, television and print media (such as photographers, videographers, performers and other talent)
- Agencies from media, entertainment, public relations, events and other creative industries that provide professional services in connection with marketing, advertising, events and sales activities
- Theatrical (stage show) vendors and service providers that supply, design and/or build theatre sets, costumes, props, and other equipment and items

- General suppliers of goods and services for day to day operations including office supplies and equipment, IT and hardware goods and services, cleaning and maintenance, professional services (such as tax and legal)

While TWDCAs direct supply chains are primarily located within Australia, the wide range of businesses engaged by TWDCAs, and Disney as part of global operations, necessarily has supply chains that are highly varied in terms of the types of supply and their locations, as well as the potential risks associated with possible labour-related abuses in each supply chain. Globally, we therefore focus our efforts on identifying, preventing, or remedying, if needed, abuses in such supply chains according to the differing levels of risk.

3. Risks of Modern Slavery Practices in Our Operations and Product Supply Chains

Disney sells products directly to consumers through our parks, stores, and online. We also license our characters and stories to third parties to produce and sell Disney-branded products, making Disney the largest consumer products licensor in the world.

Across these business models, Disney-branded products are produced in over 40,000 facilities in close to 100 countries across the globe. This manufacturing network and global footprint create a highly complex network of suppliers, many that are several degrees removed from our direct operations.

Disney uses the World Bank's Worldwide Governance Indicators (WGI) as a primary resource for identifying and comparing areas of risk, for determining sourcing policies and for focusing our monitoring resources and auditing activities. This data helps generate the Permitted Sourcing Countries [list](#), which determines the countries from which licensees and vendors may source their production of Disney-branded products and the associated audit requirements. Furthermore, Disney uses the U.S. Department of State's Trafficking in Persons Report and the U.S. Department of Labor's List of Goods Produced by Child Labor or Forced Labor to guide prioritization of its auditing activities around areas of potential forced labour risk.

Disney continues to develop innovative approaches in managing this extended supply chain. We work collaboratively with our licensees and vendors to educate them about labour rights expectations, require social compliance audits for higher risk countries to assess labour conditions, and work with external organizations to foster safe, inclusive and respectful workplaces.

4. Action Taken to Address Risks of Modern Slavery

Disney's Relevant Practices and Policies

TWDCAs is continually working to ensure its suppliers and licensees are consistently compliant with applicable laws and policies relating to modern slavery, including review and implementation of contractual terms, improvement of administrative processes and communication of Disney's practices and policies as addressed in this Criteria 4.

Disney applies its Standards of Business Conduct (SOBC) for all employees and sub-contractors. The SOBC provides the standards and expectations required of Disney employees and the people they do business with and includes adherence to our [Human Rights Policy Statement](#) and the International Labor Standards (ILS) Program (described below). Disney is committed to respecting human rights — in our offices, in our distribution centres, on our productions and in facilities around the world where Disney-branded products are made.

It also includes a whistleblowing policy for employees and other people with relevant information to share. Cast members and employees have a right and the responsibility, if they see or suspect a violation of the SOBC or Company policies, to alert their human resources department or the Guideline, an independent company that allows cast members and employees to submit an online

report or share their concerns with a professional interview specialist. Reports are accepted anonymously from Australia-based cast members and employees.

In addition, our human resources teams strive to ensure compliance by all parts of our businesses in Australia with applicable employment laws. In our agreements with vendors, we require that vendors also comply with applicable laws.

Due Diligence Processes

Since its adoption in 1996, Disney has maintained a Code of Conduct for Manufacturers (“Code of Conduct”) and operates the [ILS Program](#) designed to enforce the Code of Conduct. The Code of Conduct and ILS Program are available at <https://impact.disney.com/operating-responsibly/supply-chain/>. Further, in 2010, Disney adopted a Human Rights Policy Statement (“Human Rights Statement”) which is available [here](#).

The Code of Conduct, Human Rights Statement, Standards of Business Conduct and ILS Program are designed to help address working conditions, including the use of forced labour, slavery and human trafficking, in facilities around the world where Disney-branded products are made. These facilities are not owned or operated by Disney and are instead mostly engaged by or associated with the independent suppliers, vendors and licensees with whom we do business. As a condition of doing business with Disney, when engaged in the production of Disney-branded products, our licensees, suppliers and vendors agree to observe the standards established by our Code of Conduct and ILS Program and to implement any necessary corrective actions to ensure compliance. Our Code of Conduct prohibits all forms of forced labour, including slavery and human trafficking and includes specific provisions on involuntary labour that prohibit the use of forced or involuntary labour — whether prison, bonded, indentured or otherwise. Our Code of Conduct also includes provisions on coercion and harassment that prohibit the use of corporal punishment, threats of violence or other forms of physical, sexual, psychological or verbal harassment or abuse against employees, as well as provisions prohibiting child labour.

Disney requires our independent licensees, suppliers and vendors to agree, represent and/or warrant that they will comply with all applicable laws and regulations concerning the manufacture of Disney-branded product, which would include compliance with laws regarding forced labour, human trafficking and slavery. Disney also requires our independent licensees, suppliers and vendors to disclose to us all the facilities that they intend to use to produce Disney-branded products, including all subcontractors they intend to use, and await our approval before use.

We continually make improvements to our policies and procedures, including our Involuntary Labour prohibition. Most recently, we strengthened guidance to provide more clarity on responsible recruitment. In 2021, to further reinforce the prevention of forced labour, we updated our audit program to improve detection of forced labour practices through additional testing and reporting. In particular, where information reveals that workers paid fees to obtain jobs, we initiate in-depth assessments to understand if those fees could subject those workers to conditions of forced labour, determine amounts paid by workers, and require licensees and vendors to work with the facilities to ensure such fees are reimbursed.

In our annual [Corporate Social Responsibility Report](#), Disney maintains data on the number of facilities that are authorized to produce Disney-branded products under our ILS Program requirements, and we maintain a dedicated facility database to store this information. Annually, Disney publishes the names and addresses of facilities associated with the production of Disney-branded merchandise for sale in our own retail outlets.

5. Assessing Effectiveness of Actions Being Taken to Assess and Address the Risks of Modern Slavery Practices

In accordance with its Permitted Sourcing Countries policy, Disney regularly requires audits of labour conditions in certain facilities in the supply chain for Disney-branded products. On-site audits are conducted by Disney's global, dedicated ILS staff, by specialized third parties engaged by Disney for this purpose and by or on behalf of our independent licensees and vendors. For this statement for the year ending 30 September 2021, we conducted and/or received nearly 17,000 social compliance audits, including unannounced audits. Disney requires these audits to evaluate compliance by interviewing workers and facility management, reviewing documents and inspecting the facilities, including dormitories where present.

The ILS Program also requires an acceptable minimum level of compliance, known as the Minimum Compliance Standard. In the event of known violations of the Minimum Compliance Standard, our independent licensees and vendors are required to take appropriate corrective action and failure to do so in a timely manner can result in removal of authorisation to produce Disney-branded products. Information related to audit results can be found in the data table in our annual [Corporate Social Responsibility Report](#). A sample of a Disney-directed audit agenda, checklist and Corrective Action Plan can be found in our ILS Program Manual, which contains details of the Code of Conduct and the Minimum Compliance Standard. The ILS Program Manual is publicly available at <https://impact.disney.com/operating-responsibly/supply-chain/>.

In 2021, we developed an "ILS Audit Supplement" self-assessment questionnaire (SAQ) to further assess the presence of migrant labour and their working conditions in countries where annual audits are not currently required. We partnered with a third-party vendor, Source Intelligence, to help us pilot this SAQ in 38 facilities from 6 countries. Data and an evaluation from the pilot will be reviewed in 2022 to help assess effectiveness and potential integration of this additional due diligence tool.

Internal Working Group

In addition, an internal working group of supply chain labour rights experts, sourcing leaders, legal team members and consumer products executives continue to convene regularly to explore and test new tools for understanding potential risk areas for forced labour, human trafficking, and slavery in supply chains.

Training

As part of the ILS Program, training resources are available for ILS staff, management and business partners outlining the requirements of our Code of Conduct, which includes prohibitions on the use of forced labour. These resources include the ILS Program Manual, as well as dedicated ILS staff located in key international markets (including in Australia). Regular guidance on the requirements of the ILS Program is provided to internal staff and external business partners.

As part of Disney's induction programme, and on a regular cadence throughout his or her period of employment, each employee is trained in our Standards of Business Conduct and the requirements those standards impose in respect to behaviour in the workplace (see above).

6. Consultation with Owned Entities


TWDC's subsidiaries are part of the Walt Disney group of companies and their operations are also subject to Disney's practices and policies detailed herein.

7. Other Relevant Information

In recognition of the complexity and scale of Disney's supply chain, Disney works with a range of parties to make continuous improvement in our efforts to learn about, identify, prevent and mitigate situations of forced labour, human trafficking, and slavery.

- Disney continued its support of the ILO's Global Business Network on Forced Labour by maintaining both its general membership as well as continuing to sit on the Steering Committee. The Network is a collaborative forum convened by the ILO for companies, employer organizations, and business networks to come together with the ultimate aim of leveraging comparative advantages and collective action towards the elimination of forced labour and human trafficking.
- Disney values the input of external stakeholders and works with a variety of organizations to seek shared solutions on how to prevent and combat forced labour and modern slavery. Our external stakeholders and partners include non-governmental organizations, multi-stakeholder initiatives, labour unions, peer companies, inter-governmental organizations, governments, socially responsible investors, industry associations and others. A list of our frequent partners and collaborators can be found [here](#).
- Our ongoing [Supply Chain Investment Program](#) prioritizes programs that seek to address forced labour, human trafficking, and slavery, through investments in partners. In 2021, Disney made new grants to the following programs:
 - [Global Fund to End Modern Slavery \(GFEMS\)](#): GFEMS is an evidence-based impact organization working to drive action and progress through innovative solutions. Disney's support is being applied to scale a modular mobile app, called SafeStep, designed for vulnerable migrant workers who are at risk of exploitation and forced labour. The application will allow migrants to document and track costs associated with their work, store contracts and important identification document, and assess local wages to prevent debt bondage, forced labour and unethical recruitment.
 - [Save the Children](#): In 2021, Disney supported Save the Children's work in the garment and textile sector in India where children are especially vulnerable to child labour. The program takes a comprehensive approach to addressing the issue by focusing awareness, education and direct support to families, employers and local government.
 - [Quizrr](#): Quizrr is an award-winning digital training platform that aims to de-risk supply chains through education technology and interactive trainings. Disney's grant in 2021 is working to expand Quizrr's dynamic worker and manager curriculum through the development and piloting of a forced labour training for factory workers and management.

The board of directors of The Walt Disney Company (Australia) Pty Limited, have viewed this statement and approved it by way of resolution.

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Senior Vice President & Managing Director of The Walt Disney Company Australia & New Zealand